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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 002852

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E.O. 12958: DECL: 08/06/2016 TAGS: <u>PGOV</u> <u>PTER</u> <u>PREL</u> <u>IZ</u>

SUBJECT: VICE PRESIDENT ABDEL MEHDI: IS MASHHADANI ON THE

WAY OUT?

Classified By: Ambassador Zalmay Khalilzad per 1.4 (b) and (d).

- 11. (C) SUMMARY: In an August 6 conversation with the Ambassador, Vice President Dr. Adel Abdel Mehdi said that there have been some conversations about removing Mashhadani as Speaker. He provided a positive assessment of the recent Maliki visit to the US. Abdel Mehdi warned that the Lebanon situation could embolden extremists. Regarding security, he claimed that Shia death squads are a "consequence" of terrorism rather than an independent threat, and said that building confidence and trust are key to security. He emphasized economic development, and in particular the need to build a new oil refinery. He expressed interest in visiting Washington soon. END SUMMARY.
- 12. (C) On August 6, the Ambassador called on Vice President Dr. Adel Abdel Mehdi (UIA/SCIRI) at Abdel Mehdi's residence.

Mashhadani on the Way Out?

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¶3. (C) Abdel Mehdi claimed that the removal of Speaker Mahmoud Mashhadani is a possibility and that there have been some private conversations on this. According to Abdel Mehdi, the Prime Minister has participated in these conversations. Abdel Mehdi said that SCIRI leader Abdul Aziz Hakim has privately criticized Speaker Mashhadani's "double action" of being a member of the government, while criticizing the very bases for the government. According to Abdel Mehdi, Hakim feels Speaker Mashhadani should pick one policy — either be in or out of the government.

The Maliki Visit

14. (C) Abdel Mehdi said that he advised the Prime Minister to avoid the Israel issue in his speech to Congress. He added that he felt the Prime Minister's press conference and speech to Congress both went very well. Overall he thought the visit was "very positive."

Lebanon

15. (C) Abdel Mehdi did not repeat in private any of the harsh rhetoric he has used in public regarding the Lebanon issue, though he made it clear that he supports "the Lebanese and the Lebanese government." He said that there should be a cease-fire and a withdrawal of Israeli forces. He warned that the current situation is "catastrophic" and, if continued, will foment extremism throughout the region.

Shia Death Squads a "Consequence," Not The Problem

¶6. (C) The Ambassador put forth three major threats to Iraqi security: Al Qaeda, former Baathists, and death squads. To secure Baghdad, all three need to be dealt with. Abdel Mehdi replied that the death squads are merely a consequence of the root cause, which is terrorism. Abdel Mehdi said that the Iraqi government can easily take care of the death squads, once the terrorists are defeated. Abdel Mehdi claimed that SCIRI has no death squads.

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Security Depends on Confidence and Trust

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17. (C) In response to the Ambassador's query about the Baghdad security plan, Abdel Mehdi said that the foundation of security is confidence and trust. Twelve million Iraqis voted in the election, yet they lack sufficient confidence and trust in each other to live in peace. He said that the millions of people who voted need to be mobilized to stop disorder.

No Oil Refinery Yet

18. (C) Abdel Mehdi emphasized economic development as key to solving Iraq's crisis. He said that many areas of the country are peaceful and that economic development projects could be implemented in these places. Abdel Mehdi singled out the lack of an oil refinery project as a particular shortcoming. He expressed dismay that no new oil refinery

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has been built after three years of economic aid. He hoped for signed contracts for an oil refinery and two to three power generating stations by the end of the year. He said oil, electricity, and water projects are needed and that if basic services aren't provided to the people, they will take up arms against the government.

19. (C) Abdel Mehdi emphasized the stability of the Iraqi currency as a key factor. He said that if the Iraqi currency were destabilized, Iraq would have no economy. He also said that limiting inflation was a concern.

Visit to Washington?

110. (C) Abdel Mehdi said there had been some discussion that he would visit Washington in late August or early September. The Ambassador replied that it would be better to visit Washington sometime after the Labor Day holiday, and Abdel Mehdi was receptive to this suggestion.

KHALILZAD